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## INDICATORS OF ORGANIZED STOCK MARKETS IN FOREIGN COUNTRIES AND THE STATE OF THEIR DEVELOPMENT

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### ABSTRACT

*It is known from the experience of foreign countries that the organized securities market has become one of the most important means of providing investment to the economy. In them, the state of development of this market is considered as a literal unit of measurement, ie a barometer, which determines the state of economic development of the whole economic system, the country.*

**KEYWORDS:** *Organized securities market in foreign countries, organized securities market capitalization, stock market capitalization, share of organized securities market capitalization in relation to GDP.*

### INTRODUCTION

The article provides a scientific analysis and practical descriptions of the possibilities of using the positive aspects of the development of the organized securities market in foreign countries through a comparative analysis of the development practices of the organized securities market in foreign countries.

It is known from the experience of foreign countries that organized securities have become one of the most important means of providing investment to the economy. In them, the state of development of this market is considered as a literal unit of measurement, ie a barometer, which determines the state of economic development of the country as a whole. According to economists, "the stock market is emerging on a global scale as a mechanism for attracting investment for the development of the economy, the transformation of funds into investments and the movement of capital.<sup>1</sup>"

The development of organized stock markets in foreign countries is taking place under the influence of global economic processes. The movement of financial capital flows under the influence of economic processes in recent years, the direct impact of objective factors, including the restriction of international capital movements of the COVID-19 pandemic since 2019, also affected the development of the organized stock market. market capitalization amounted to 111.1 trillion.<sup>1</sup> USD 93 trillion<sup>1</sup> in 2019. USD, 95 trillion in 2020. dollars.

### REVIEW OF THE LITERATURE ON THE SUBJECT

According to D. Stauffer, a scientist at the University of Cologne in Germany, and D. Sornetter, a scientist at the University of Nice-Sofia in Antipolis, France, integration into international financial markets can be improved by ensuring the level of organization of the Organized Stock Market and its statistical transparency. Based on the Cont-Bouchaud model, the analysis of market statistics, the formation of clusters in the future dynamic changes in the market, the development of forecasts play an important role in the development of the market.

Yu Hsing, a scientist at the University of Southeast Louisiana in the United States, said that the Box-Cox model analyzes the state and development trends of the organized stock market in the United States. According to the scientist, the organized securities market (stock exchanges) is expanding as a means of measuring the economy, and in the future the full attraction of financial resources through this market will lead to positive results.

### ANALYSIS AND RESULTS

According to the World Federation of Stock Exchanges (JFBBF), the negative impact of the COVID-19 pandemic on the economy has led to extraordinary volatility in global financial markets. Market participants are forced to comply with the requirement to guarantee their investments and revalue the value of derivatives as the situation changes. This in turn affects the change in sales volume.

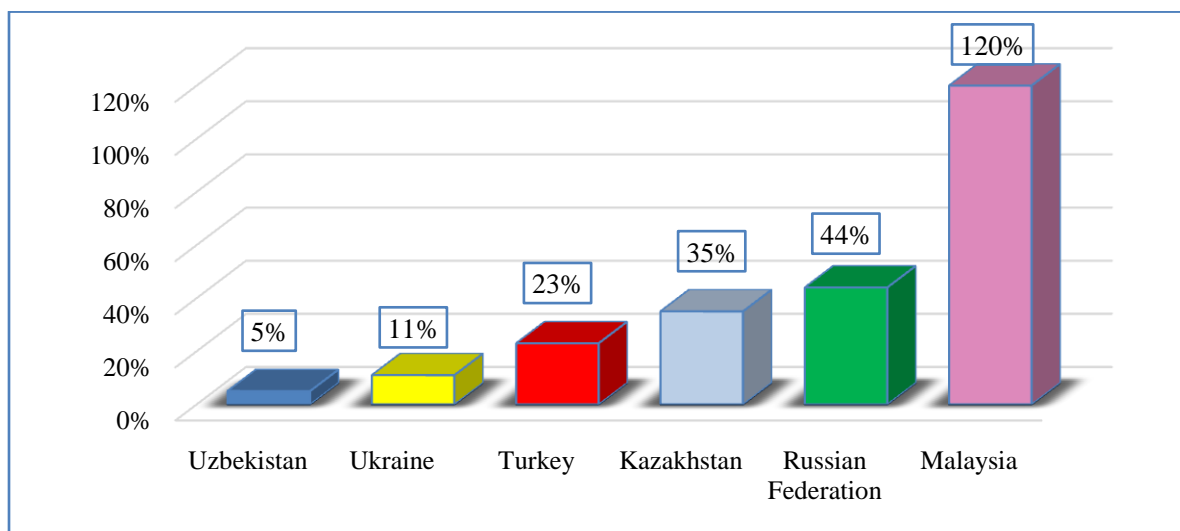
**TABLE 1 DYNAMICS OF DEVELOPMENT OF THE ORGANIZED STOCK MARKET IN FOREIGN COUNTRIES, BLN. IN DOLLARS<sup>1</sup>**

№	Nameofcountries	Years					Share in world capitalization in 2019,%
		2015	2016	2017	2018	2019	
1	United States	25067	27352	32120	30436	34429	50,0
2	XXR	8188	7320	8711	6324	8515	12,4
3	Japan	4894	4955	6222	5296	6191	9,0
4	Hong Kong (China)	3184	3193	4350	3819	4899	7,1
5	Saudi Arabia	421	448	451	496	2406	3,5
6	India	1516	1566	2331	2083	2179	3,2
7	Germany	1715	1716	2262	1755	2098	3,0
8	Switzerland	1519	1403	1686	1441	1834	2,7
9	Australia	1187	1268	1508	1262	1487	2,2
10	Brazil	490	758	954	916	1187	1,7
11	SouthAfrica	735	951	1230	865	1056	1,5
12	Spain	787	704	888	723	797	1,2

13	Singapore	639	640	787	687	697	1,0
14	Thailand	348	432	548	500	569	0,8
15	Indonesia	353	425	520	486	523	0,8
Total:		51043	53131	64568	57089	68867	100 %

As can be seen from the data in Table 1 above, the analysis of market capitalization for 2015-2019 of 15 countries with organized market and high market capitalization is included. The U.S. accounted for the top 50 percent and China 12.4 percent in the 2019 volume of the organized stock market capitalization. In this TOP-15 ranking, Japan is followed by the United States and China by 9.0% and Hong Kong by 7.1%. Based on the data in this table, it can be said that significant changes can be seen in the development of the organized stock market in Saudi Arabia. This is due to the fact that in 2015-2018, the capitalization of the organized securities market in the country amounted to an average of 454 billion dollars, while in 2019 the capitalization of the organized securities market in this country amounted to 2406 billion dollars. In other words, we see that this figure is more than 5 times higher than in 2015.

The following figure shows the capitalization of the stock market in countries with relatively similar growth rates and close regiona.



**Figure 1 Market capitalization of companies listed in the organized securities market in foreign countries, in percent<sup>1</sup>**

Based on the data in Figure 1, it can be seen that the stock market is relatively well developed in the neighboring region. In particular, the market capitalization is 35% in Kazakhstan, 23% in Turkey, 11% in Ukraine and 44% in the Russian Federation. In Malaysia, the figure is 120 percent, indicating that the country's organized stock market is in good shape.

**TABLE 2 THE SHARE OF CAPITALIZATION OF THE ORGANIZED STOCK MARKET IN FOREIGN COUNTRIES IN RELATION TO GDP, IN PERCENT<sup>1</sup>**

№	Name of countries	Years				
		2015	2016	2017	2018	2019
1	Hong Kong (China)	1029,4	995,3	1274,9	1055,9	1338,5
2	Saudi Arabia	64,4	69,6	65,6	63,1	303,5
3	South Africa	231,7	321,0	352,2	235,0	300,6
4	Switzerland	223,5	209,0	248,0	204,4	260,9
5	Singapore	207,8	201,1	230,3	184,1	187,4
6	Japan	111,5	100,7	127,9	106,9	121,8
7	Malaysia	127,1	119,4	142,9	111,0	110,8
8	Australia	87,8	104,9	113,5	88,1	106,5
9	Thailand	86,9	104,7	120,3	98,9	104,7
10	Qatar	88,1	102,0	78,2	85,2	87,2
11	India	72,1	68,3	87,9	76,8	78,5
12	Norway	50,3	62,7	72,1	61,1	73,3
13	Philippines	77,9	75,2	88,4	74,4	73,1
14	Chile	78,0	84,8	106,4	84,1	72,2
15	Bahrain	62,0	60,2	61,2	58,1	69,7

This Table 2 analyzes the share of organized stock market capitalization in GDP in foreign countries in 2015-2019. According to him, in 2019, the volume of capitalization of the organized stock market in Hong Kong, a special regime region of China, ranked first in the world in terms of its share in GDP (1338.5%). In 2019, the figure was 303.5 percent in Saudi Arabia, 300.6 percent in South Africa, 260.9 percent in Switzerland and 187.4 percent in Singapore.

In these countries, we see that the volume of capitalization of the organized stock market in 2019 compared to other years has increased significantly relative to GDP. The countries in the next places are in the next place in the table due to the fact that the volume of GDP is higher than in other countries. Including Japan, Malaysia, India and others.

It is also advisable to conduct analyzes by region. Therefore, looking at the development of the organized securities market in the countries of the Commonwealth of Independent States (CIS), we assess the impact of external competition on the development of the organized securities market in Uzbekistan. Information on the development of the organized securities market in these countries is considered on the basis of data from the International Association of CIS Exchanges and on the example of stock exchanges as an organized securities market in these countries. Analysis of the development trends of the organized securities market in the CIS countries shows that the development of the securities market in these countries can not be assessed as satisfactory due to insufficient development of corporate governance, privatization, financial services infrastructure.

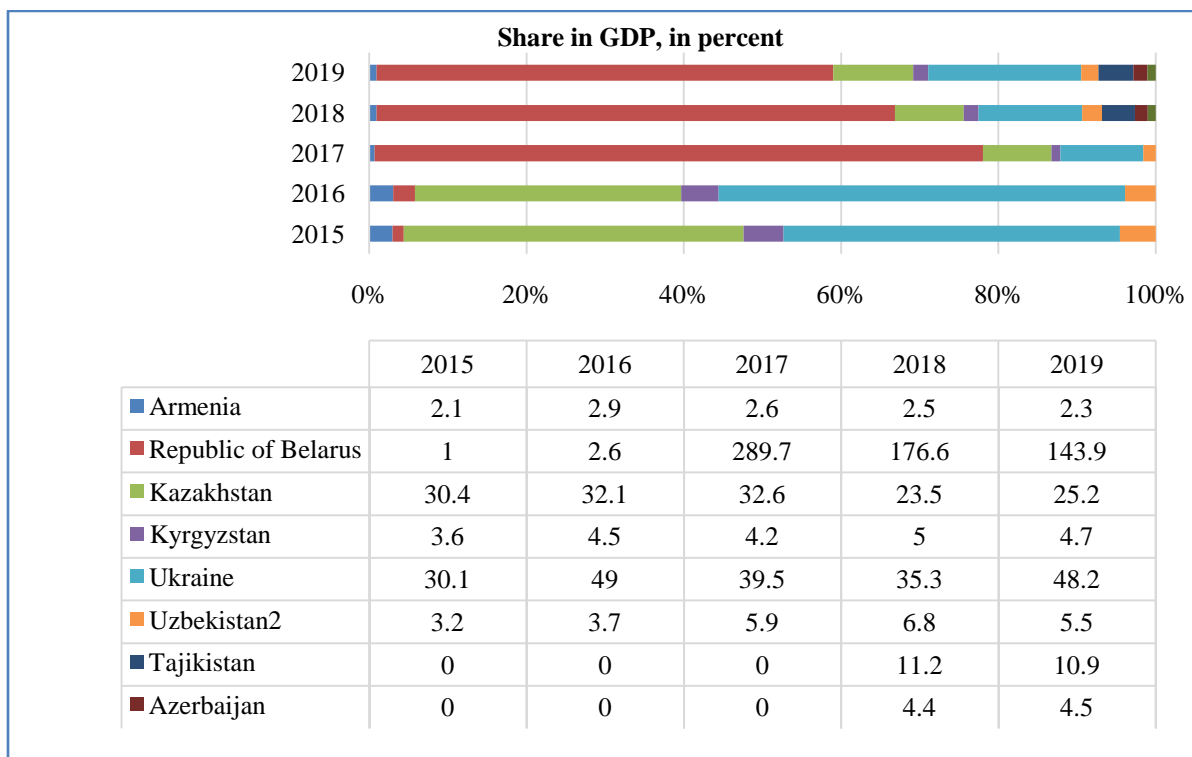
**TABLE 3 CAPITALIZATION OF THE STOCK MARKET, WHICH IS PART OF THE ORGANIZED SECURITIES MARKET IN THE CIS COUNTRIES, BLN. DOLL<sup>1</sup>**

In the CIS countries stock exchanges	2015 years	2016 years	2017 years	2018 years	2019 years	Total share in 2019,%
Central Asian Stock Exchange (Tajikistan) *	0,0	0,0	0,0	0,003	м/й	-
BakuInterbankCurrencyExchange	м/й	м/й	м/й	2,1	2,1	0,23
KazakhstanStockExchange "KASE"	34,6	39,9	45,5	37,2	40,8	4,40
Belarusian currency and stock exchange	0,5	1,2	157,6	105,2	90,3	9,74
KyrgyzStockExchange	0,2	0,3	0,3	0,4	0,4	0,04
MoscowStockExchangeGroup	396,8	627,5	623,2	575,6	790,3	85,24
St. PetersburgCurrencyExchange	0,6	0,6	0,7	0,4	0,4	0,04
Armenia NASDAQ OMX Exchange	02,	0,3	0,3	0,3	0,3	0,03
PFTS StockExchange (Ukraine)	4,6	2,2	0,6	3,4	2,3	0,25
Ukrainianstockexchange	5,7	4,9	5,1	м/й	м/й	-
MoldovaStockExchange **	0,2	0,7	0,4	0,3	0,3	0,03
	<b>445,2</b>	<b>677,6</b>	<b>833,7</b>	<b>724,903</b>	<b>927,2</b>	

\* *Founded on April 14, 2015 in the Republic of Tajikistan. He began his career in November 2016 with the adoption of the Law "On Securities Market". Started trading on April 14, 2017 (The first issuer was JSC "Bank Eskhata")*

\*\* *<http://www.bvm.md/ru> (official website of the Moldovan Stock Exchange) ([http://www.bvm.md/ru/buletin\\_informativ](http://www.bvm.md/ru/buletin_informativ), [http://www.bvm.md/ru/auction\\_year](http://www.bvm.md/ru/auction_year) ) was compiled independently by the author.*

The fact that the organized securities market in these countries is not integrated with the global securities market, and the underdevelopment of their joint stock companies, also affects the functioning of the organized securities market. The volume of stock market capitalization on the stock market, which is a member of the International Association of Stock Exchanges of the CIS, which is a member of the above-mentioned stock exchanges, shows that the stock market in these countries is underdeveloped. These countries include organized securities markets operating in the Russian Federation, such as the Moscow Stock Exchange (85%), the St. Petersburg Currency Exchange, as well as the Belarusian Currency Exchange (9.7%), the Kazakhstan Stock Exchange KASE (4. , 4%) the stock market capitalization volume is relatively high.



**Figure 2. The share of the organized securities market (stock market) in the GDP of the CIS countries, in percent**

Through the analytical data of Figure 2 above, it can be seen that the organized stock market in the CIS countries has developed differently. This can be seen in the fact that the share of the capital market segment in GDP of the organized stock market varies in them.

In particular, this figure will be 30-48% in the Russian Federation in 2015-2019, 25-30% in Kazakhstan, an average of 2.5% in Armenia, 3.6-5% in Kyrgyzstan, 2.4-8% in Ukraine and 3.2-6% in Uzbekistan. , Which was in the range of 8%. In the Republic of Belarus in 2017 there was a sharp increase in this regard. In particular, in 2015-2016, the stock market segment of the organized securities market in the country accounted for 1-2.6% of GDP, but in 2017 this figure rose sharply to more than 280%. In 2019, this figure was 143%. This is directly related to the process of "mass privatization" in the country.

It is expedient to analyze the above analytical data in more depth on the example of countries that are close to the indicators of development of the organized securities market of our country.

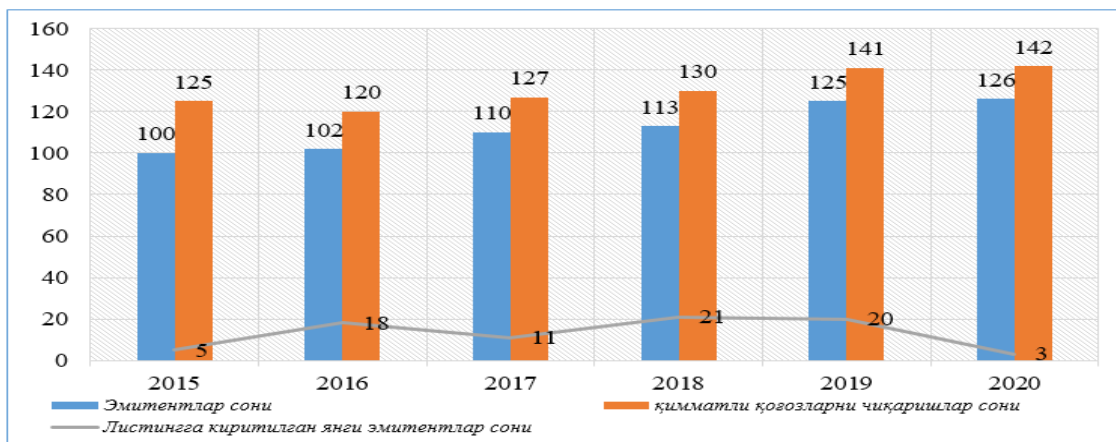
In this regard, we consider the fundamental analysis of the organized securities market of the Republic of Kazakhstan, a close neighbor of the Republic, the analysis of issuers in the organized securities market of Kazakhstan (on the example of the stock market segment) and the analysis of the state of issuers in the organized securities market.

**TABLE 4 INDICATORS OF FUNDAMENTAL ANALYSIS OF THE ORGANIZED SECURITIES MARKET IN KAZAKHSTAN<sup>1</sup>**

№	Indicators	Types of stock markets (risk accounts for financial instruments)				
		Symptoms	Derivatives market	Stock market	Currency market	
1	Reliability level / quantile	–/α	99.87 %			
2	Application period	–	1 йил			
3	Limit of risk assessment, duration	T <sub>RH</sub>	3 савдо куни	2 савдо куни	2 савдо куни	
		T <sub>Likv</sub>	–	5 савдо куни	5 савдо куни	
4	Concentration coefficient	K <sub>conc</sub>	–	100 %	USD 30 %	RUB 50 %
					EUR 50 %	CNY 50 %
5	Price change limit coefficient	K <sub>Price</sub>	1		–	
6	The upper limit of traction	a <sub>верхнее</sub>	0,06			
7	The lower limit of tension	a <sub>нижнее</sub>	0,03			
8	Interest masters	CONST <sub>KZT</sub>	–	6%	–	
		CONST <sub>USD</sub>	–	2%	2%	
		CONST <sub>EUR</sub>	–	2%	2%	
		CONST <sub>RUB</sub>	–	2%	2%	
		CONST <sub>CNY</sub>	–	2%	2%	

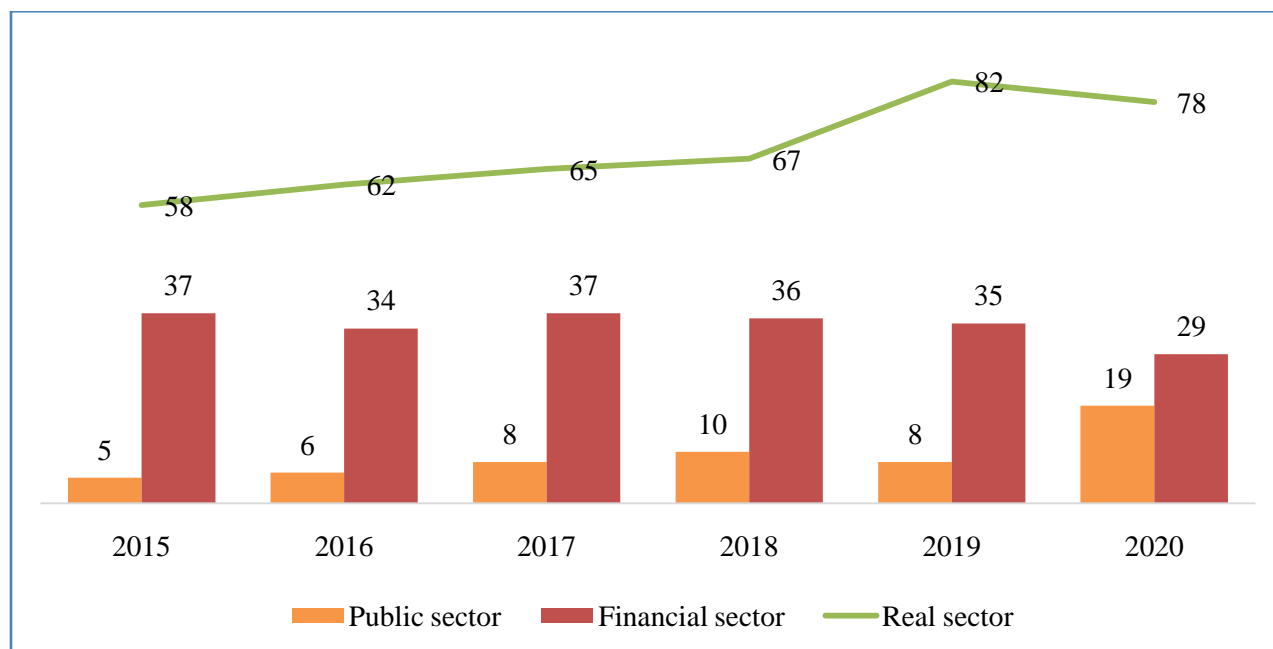
Fundamental analysis of the organized securities market in Kazakhstan shows that the quantitative level of reliability of the organized securities market in this country is 99%. This, in turn, is important in increasing the flow of foreign investors to this market.

The number of issuers participating in the organized securities market in Kazakhstan has created a growing trend.



**Figure 3 Analysis of issuers' activity in the organized securities market of Kazakhstan (on the example of the stock market segment)<sup>1</sup>**

In 2019, the number of issuers increased by 123% compared to 2015, which means that this year the number of issuers increased by 24 compared to the comparable year. The number of securities issued by these issuers in 2019 amounted to 142, an increase of 113% compared to 2015.



**Figure 4. Analysis of the state of development of issuers in the organized securities market of Kazakhstan by sectors of the economy<sup>1</sup>**

Based on the analysis of the state of development of issuers by sectors of the economy in the organized securities market in Kazakhstan, we see that the share of the real sector is leading in terms of issuers. The location of the International Financial Center in this country also means that the role of the real sector in the regional organized securities market will increase. The public sector in this country is also active in 2019. That is, in 2019, 19 of the total number of issuers will be in the public sector. The average share of the real sector in the organized



securities market in Kazakhstan is more than 26%.

In conclusion, the stock market in foreign countries is one of the main segments of the economy. The strong integration of the organized securities market in foreign countries into the global financial market is one of the guarantees of their successful growth trend.

## CONCLUSION

As part of the analysis of the development of the organized securities market in Uzbekistan and abroad, a systematic analysis of the development trends of the organized securities market of the country and the factors affecting the organized securities market.

The analysis shows that the volume of trade in the stock market of our country has a growing trend. However, the share of these indicators in the country's GDP is very low. This, in turn, means that the market is underdeveloped, and its capitalization indicates that financial instruments can increase their liquidity by ensuring their investment attractiveness.

Currently, there is a large disproportionate difference between the unorganized and organized securities markets in Uzbekistan. The major disproportionate difference between them has been formed over the years not only by the state of development of these two markets, but also by the organization of privatization processes.

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